the growth of such value with the growth in excise revenue.

The percentage of modvat credits availed in the total duty payable has increased from 11.7 per cent in 1986-87 to 37.0 per cent in 1994-95 and 42.4 per cent in 1995-96. This is attributable to the extension of Modvat Scheme to more commodity groups and enlarging the scope of credit not only for inputs used in manufacture of final products but also for capital goods, consumables etc. used thereon.

Proposal for 'Smart Cards' Scheme

2268. SHRI NARENDRA MOHAN:

SHRI YERRA NARAYANASAMY:

DR. Y. LAKSHMI PRASAD:

Will the Minister of FINANCE be pleased to state:

(a) whether Government is proposing to launch a scheme of 'smart cards' to solve the problem of shortage of coins/currency notes;

(b) if so, whether this 'smart card' will be acceptable to establishments all over the country, or will the operation be kept limited to select places and for select establishments only; and

(c) whether common-man will benefit from this?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) No, Sir.

(b) and (c) Do not arise.

Decline in Direct Tax Collection

2269. SHRI NARENDRA MOHAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that direct tax collection recorded a deficit of Rs. 1,862 crore in 1996-97 as compared to the revised budget estimate of Rs. 40,163 crore, as reported in Economic Times of 13th June, 1997;

(b) if so, whether it is due to over estimation of tax targets or slackness in collection due to some corporate bodies postponing their last quarter payments;

(c) whether any special efforts are being made this year so that estimated tax revenues are collected during 1997-98; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) No Sir. The deficit in Direct Tax Collection has been to the tune of Rs. 1483 crores only. The total collection was Rs. 38,680 crores against Revised Estimates of Rs. 40,163 crores.

(b) No Sir. The deficit in collection is neither due to over estimation of tax targets nor due to slackness in collection. The growth in economy could not keep pace with the expectations.

(c) and (d) Every effort is being made to realise the estimated direct tax revenues. Many innovative legislative measures have been taken in the Finance Act 1997. The position is being closely monitored by CBDT and Chief Commissioners.

Central and State subsidies

2270. SHRI PREM CHAND GUPTA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that in 1994-95, the Central and State subsidies amounted to Rs. 1,37,338 crores constituting 14.4 per cent of the GDP and that at this rate subsidy will be Rs. 1,80,000 crores for 1997-98; and

(b) if so, whether Government plan to reduce it?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) As per the discussion paper entitled Government Subsidies in India (based on a research study by the National Institute of public Finance and Policy) presented to the Parliament in May 1997, the aggregate level of subsidy (both explicit and implicit) in 1994-95 on all goods and services provided by the Central and State Governments is estimated at Rs. 137.338 crore, constituting 14.4 per cent of the gross domestic product. The explicit provision for subsidies given in the central budget for 1997-98 cover items as indicated in the table below. The provision for total explicit subsidies in the central budget is budgeted to increase by 9.3 per cent from Rs. 16,694 crores in 1996-97 (RE) to Rs. 18,251 crore in 1997-98 (BE). The discussion paper with a view to reform the present regime of subsidies has emphasised the need to focus on: reducing overall scale of subsidies; making subsidies as transparent as possible; using subsidies for well-defined economic objectives; focusing subsidies to final goods and services with a view to maximising their impact on the target population at a minimum cost; instituting systems for periodic review of subsidies and; setting clear limits on duration of any new subsidy schemes.

Details of Subsidies Provided in the Central Budget from 1990-91 to 1997-98(BE)

(Rupees Crore)

Description/year	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97 (RE)	1997-98 (BE)
A. Major Subsides	**9581**	**9783**	**9414**	**10764**	**11527**	**12128**	**1 1233**	**17180**
1. Food . .	2450	2850	2800	5537	5100	5377	6066	7500
2. Indigenous (Urea) Fertiliser . .	3730	3500	4800	3800	4075	4300	4743	5240
3. Imported (Urea) Fertiliser . .	659	1300	996	762	1166	1935	1350	1950
4. Fertiliser subsidy to small and marginal farmers . .		385						
5. Export promotion and market Development . .	2742	1758	818	665	658	16	400	440
6. Sale of decontrolled fertiliser with concession to farmers					528	500	1674	2000
B. Debt Relief to farmers	**1502**	**1425**	**1500**	**500**	**341**			
C. Other Subsidies .	**1075**	**1035**	**1081**	**1418**	**1064**	**1177**	**2461**	**1121**
7. Railways . .	283	312	353	412	420	418	466	537
8. Mill-made cloth .	10	15	15	16		1		
9. Handloom cloth .	185	187	161	174	148	143	98	84
10. Import/Export of sugar, edible oils etc. . .						100	50	50
11. Interests subsidies	379	316	113	113	76	34	1257	34
12. Assistance for fertiliser promotion .			340	517				
13. Other Subsidies .	218	205	99	186	420	481	590	416
D. Total Subsidies .	**12158**	**12253**	**11995**	**12682**	**12932**	**13305**	**16694**	**18251**